

Challenge Grants

Department of Health and Social Services – Program 39

I. PROGRAM OBJECTIVES

The 1992 reauthorization of the Juvenile Justice and Delinquency Prevention Act of 1974 (JJDP) added Part E, State Challenge Activities, to the programs receiving funding. The stated purpose of Part E is to provide initiatives for States participating in the Federal Formula Grants Program to develop, adopt, and improve policies and programs in one or more of ten specified activity areas. These grants are funded solely with federal dollars.

II. PROGRAM PROCEDURES

The Division works closely with the Alaska Juvenile Justice Advisory Committee to determine which of the ten program areas will be funded each year. Current grant area is services for [female offenders] **alternatives to school suspension programs**.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirements

Present grants are for **alternatives to school suspension programs** [wilderness and other educational/skill-building activities for female juvenile offenders].

Suggested Audit Procedures

Review:

1. Contract or final Notification of Grant Award (NGA) including all conditions;
2. Grant/Contract revisions and related transmittal letters;
3. Licenses, certifications, approvals, status of private non-profit corporation, if applicable;
4. Budget documents including final revised budget and budget narrative; and

Test financial and related records to determine that funds expended were for purposes specified in the grant/contract.

Compliance Requirement

Costs allowed or unallowed under this program are specified by grant regulations 7 AAC [50]53.931 - .999 and 7 AAC 78 as well as contract or budget document and special conditions.

Suggested Audit Procedures

- Review Department of Health and Social Services' grant regulations 7 AAC [50]53, 7 AAC 78, and budget documents;
- Test financial and related records to determine the appropriateness of costs per 7 AAC [50]53.931-.999, and 7 AAC 78; and
- Determine whether expenditures are within the budget limits prescribed by 7 AAC [50]53.931 - .999, and 7 AAC 78.260(e)(1).

B. ELIGIBILITY

Compliance Requirement

The recipient must be a non-profit organization or a political subdivision meeting the requirements of 7 AAC 78.030.

Suggested Audit Procedure

- Review articles of incorporation or other appropriate documents, licenses, certifications, and approvals, to determine status of agency.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

No match is required.

D. REPORTING REQUIREMENTS

Compliance Requirement

The agency must submit quarterly activity and expenditure reports no later than fifteen working days after the close of each quarter and a final expenditure report within 45 days of the last day of the grant year.

Suggested Audit Procedures

- Confirm if such reports are being filed timely;
- That reported revenues and expenditures agree with the agency's general ledger; and
- That expenditures are within the budget limits or contract provisions.

Compliance Requirement

Agency audited financial statements must present a statement of revenue and expenditures for each state grant/contract. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budget and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedure

- Review audited financial statements for compliance with above

Compliance Requirement

The agency must clearly show on their audited financial statement any outstanding liability to the State as payable to the State. This includes unspent grant funds or disallowed costs.

Suggested Audit Procedures

- Determine whether or not the agency has any outstanding liability to the State; and
- Review audited financial statements to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures

- Obtain copy of program site review.
- Determine if recommendations in the site review are being implemented.

Modified 5/02